Offering of shares of unlisted State owned companies

2958. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to offer shares of the unlisted State owned companies to public as an alternative of disinvestment;

(b) if so, the details thereof; and

(c) what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Government has decided, in principle, to list large, profitable Central Public Sector Enterprises (CPSEs) on domestic stock exchanges and to selectively sell small portions of equity in listed, profitable CPSEs (other than the navratnas).

There are a number of large, profitable, unlisted CPSEs, which would gain by getting listed on domestic stock exchanges through an Initial Public Offer of a small proportion of the shareholding of the Government. Listing on stock exchanges would enable these CPSEs to access the capital markets in future for their own capital investment requirements. There are also a number of listed, profitable CPSEs in which the shareholding of the public is very limited. Enlarging the shareholding of the public in such CPSEs provides an opportunity to investors to invest in these CPSEs. It also provides greater liquidity for the trading of these CPSE shares. Employees of the CPSEs would also get an opportunity for investing in these shares through reservation of a part of the offered shares for subscription by them.

Government has also decided that the realisation from the disinvestment of a small proportion of the Government's shareholding in CPSEs would be channelised into the National Investment Fund.

Release of funds to States

†2959. SHRI LAXMINARAYAN SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have released the amount as recommended by the Twelfth Finance Commission to the States;

† Original notice of the question was received in Hindi.